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## Executive Summary

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### 1. Introduction

The **State Focus Paper for 2015-16** presents a perspective of the exploitable credit potential for various sectors/sub-sectors / activities under the Priority Sector in the State. It is based on potential linked credit plans of districts which are prepared taking into account the resource endowments, policy thrusts of Central and State Govts., present level of infrastructure and extension support available/being developed, etc. while also underlining the further infrastructure requirements and other steps which would be required by other stakeholders for development of agriculture and rural sector. The strategies / action points suggested in the document are expected to be mulled in details and deliberated upon by the respective Institutions/agencies and implemented appropriately in order to achieve planned development of the State through efficient deployment of targeted level of credit.

### 2. Theme of the State Focus Paper (SFP)

In view of the overall policy thrust of GoI and NABARD and a felt developmental requirement of the State, the core theme for SFP 2015-16 has been decided to be “**Accelerating the pace of Capital Formation in Agriculture & Allied Sectors**” for which various suggestions / area based banking schemes /infrastructure & linkage requirements have been designed and indicated in the chapters.

### 3. State Profile

The Jharkhand State with a geographical area of 79.71 lakh ha. accounting for 2.42% of India's total geographical area and with a population of 329.88 lakh accounting for 2.7% of India's total population (both as per 2011 census) comprises of 24 districts, 5 divisions, 38 sub-divisions, 262 development blocks, 149 towns, 4423 panchayats and 32620 revenue villages. The city of Ranchi is its capital whereas other major cities are Jamshedpur (East Singhbhum), Hazaribagh, Bokaro and Dhanbad. The State has got a population density of 414 with 75.95% rural population. The STs and SCs constitute 26.19% and 12.0% of total population of the State respectively. Literacy rate of the State stood at 66.41% with 76.84% for males and 55.42% for females.

As nearly 76% of the population of the State reside in rural areas and derive their livelihood in a direct or indirect manner from agriculture and allied activities with nearly 67% of the total labour force depending on agriculture for employment / livelihood, the importance of the sector for the State hardly needs emphasis. The State comes under Agro-Climatic Zone VII, i.e. Eastern Plateau & Hills Region which is further divided in three sub-zones. However, agriculture of the State is plagued with issues like mono cropping on account of low irrigation facilities, poor productivity on account of soil deficiencies and degradation, unfavourable soil topo sequences, lack of adoption of modern agro-technologies, uneconomic farm holdings, lack of investments, etc. Out of total cultivable area of 37.78 lakh ha., the net sown area of the State is only 25.57 lakh ha. with cropping intensity at 116% and the main crop being paddy covering 80% of total cropped area. Other major crops of the State are maize, wheat, pulses and oilseeds. The State has an eminent position in vegetable crop production and productivity. There has also been significant diversification of agriculture into horticulture sector in recent times while sericulture sector has witnessed an impressive growth.

Jharkhand has got huge deposits of mineral wealth of Iron ore, coal, copper, mica, bauxite, manganese, limestone, china clay, fire clay, graphite, kainite, chromite, etc. which has led to establishment of significant number of industrial units under Iron & Steel, Automobile, Nonferrous, Fertilizers, Chemicals and Cement sectors. The State is also rich in respect of natural resources, viz, significant forest coverage at 28.82%, good network of rivers and other water bodies, rich variety of flora and fauna.

GSDP of Jharkhand at current prices has increased from ₹ 87,793 crore in 2008-09 to ₹ **1,62,557 crore** in 2012-13. The share of primary, secondary and tertiary sectors in the GSDP for 2012-13 stood at 26.33%, **29.97%** & **43.70%** respectively. **The share of agriculture sector to total GSDP stood at 12.74% for the year 2012-13.** The per capita income of

Jharkhand also increased from ₹ 28,844 in 2008-09 to ₹ 49278 in 2012-13. With ratio of BPL population at 36.51%, the State counted amongst highest in Indian States in respect of incidence of poverty in 2011-12 as compared to 21.92 percent for all India. The incidence of poverty in rural areas of the State was at 40.84%, about 15 percentage points higher than the national average of 25.7 percent.

#### 4. Financial Sector Development in the State

##### 4.1 Banking Network

There were a network of 2671 number of bank branches of 24 Public Sector (71.28%) & 13 Private Sector Commercial (7.68%), 02 RRBs (16.55%) and 9 Coop. banks – 1 StCB and 8 DCCBs (4.49%) in the State as on 31.3.2014 in which the proportion of **rural, semi-urban and urban** branches was **50:26:24**. A total of 280 number of bank branches had been opened in the State during the year 2013-14. The **population per branch** on an overall basis worked out to **12347** whereas for **rural areas**, it worked out to **18684** indicating a **significant urban-rural gap** in availability of banking services. A further analysis reveals that the branch network of private sector banks was largely confined into urban and semi-urban areas accounting for over 95% of their total branches.

The banks of the State had appointed a total 5432 number of BCAs/ CSCs to provide banking services in unbanked areas as also that a total number of 2265 ATMs existed in the State as on 31.3.2014. Besides, the State has also got 4883 no. of PACS and LAMPS.

Cooperative Banking structure is undergoing changes in the State. Amalgamation of 7 out of 8 CCBs of Jharkhand with JStCB is in process.

##### 4.2 Financial Inclusion

In terms of extant instructions on FI, it is to be ensured that there is at least one bank branch in every 5 kms and 01 BCA in 2 kms covering all remaining villages. All banks have been given 03 years' programme upto 31.03.2016 under FIP II to cover all villages. Of the 26165 unbanked villages of the State, a total of 9870 villages have been covered through BCAs/CSCs and 1670 villages through USBs whereas 7325 villages have been covered through the branches as on 31.12.2014.

Financial Literacy Centre (FLCs) have been opened by respective lead banks in each of the districts. RRBs have been provided assistance by NABARD to open their own FLCs in each of the districts under their area of operation. Besides, assistance has been sanctioned by NABARD to Bank of India for establishment and operationalization of FLCs in eleven districts and ₹ 120.00 lakh has been sanctioned for setting up of 24 FLCs in all 24 districts of Jharkhand.

NABARD has taken several initiatives in Jharkhand to create awareness among people on financial inclusion i.e. organizing financial literacy camps for people / workshops for PRIs, radio programmes, Nukkad natak, wall paintings, putting-up hoardings, etc.

NABARD has also sanctioned ₹ 85.57 lakh to RRBs for issuing RuPay Kisan Credit Cards, 158.47 lakh for Rupay Debit Cards and ₹ 332.50 lakh for Micro ATMs. JStCB is also sanctioned 1000 micro ATMs with ₹ 250.00 lakh of assistance.

##### 4.3 Pradhan Mantri Jan Dhan Yojana (PMJDY)

A total of 4687342 households have been surveyed by the banks under PMJDY which indicated that 1110436 number of households were without bank accounts. Thus, these households were decided to be covered with BSBD accounts under the scheme with features such as Rupay ATM Cards, Accidental Insurance of ₹1.00 Lakh & life insurance of cover of ₹ 30000/- and overdraft of ₹ 5000/-. As on 24.1.2015, a total of 26,67,951 BSBD accounts have been opened achieving 100% coverage of households, of which Rupay cards have been issued in respect of 17,48,697 accounts and AADHAR seeding was done for 1310909 A/cs.

##### 4.4 CD Ratio and other Key Parameters

The CD ratio of banks for the State as a whole worked out to **59.63%** (including credit as per place of utilisation and RIDF deposits) as on 31.3.2014 as against **59.47%** as on 31.3.2013 whereas it was 49.06% and 52.12% as on 31.3.2014 and 31.3.2013 respectively without

reckoning the above items. Thus, there was a slight rise in CD ratio but the same was mainly on account of increase in RIDF loans by NABARD to the State Govt. as the CD ratio excluding the said item had rather decreased by nearly 3%. The rural CD ratio of the State at **36.57%** as on 31.3.2014 had **decreased by 4.67%** from 41.22% as on 31.3.2013. Further, District-wise analysis reveals that as many as 14 districts of the State had a CD ratio below 40% and 3 of them below 30%, of which the lowest was for Chatra district at 25.56%. With a view to giving focused attention on improving CD ratio in these districts, a separate Sub-Committee of DCC has been constituted in each of these districts.

The performance of the banking sector under other key parameters along with comparative position for the previous year has been presented in the table below :

S. No.	Key Business Parameter	Position as on 31.03.13	Position as on 31.03.14	Minimum Prescribed*
1	Share of PSA in Total advances (%)	63.02	71.97	40%
2	Share of Agriculture Advances in Total advances (%)	13.33	17.50	18%
3	Share of MSEs in Total advances (%)	34.70	40.18	
4	Share of advances to Micro enterprises in total MSE advances	36.77	38.89	60%
5	Share of Advances to Weaker section in Total Advances (%)	13.84	14.26	10 %
6	Share of DRI Advances in Total Advances (%)	0.18	0.06	1 %
7	Share of advances to women in Total Advances (%)	13.08	17.54	5%
8	Share of advances to Minorities of PSA (%)	9.23	9.49	15 %

\*% of ANBC or credit equivalent amt. of off-Balance Sheet Exposure, whichever is higher. [Source : SLBC]

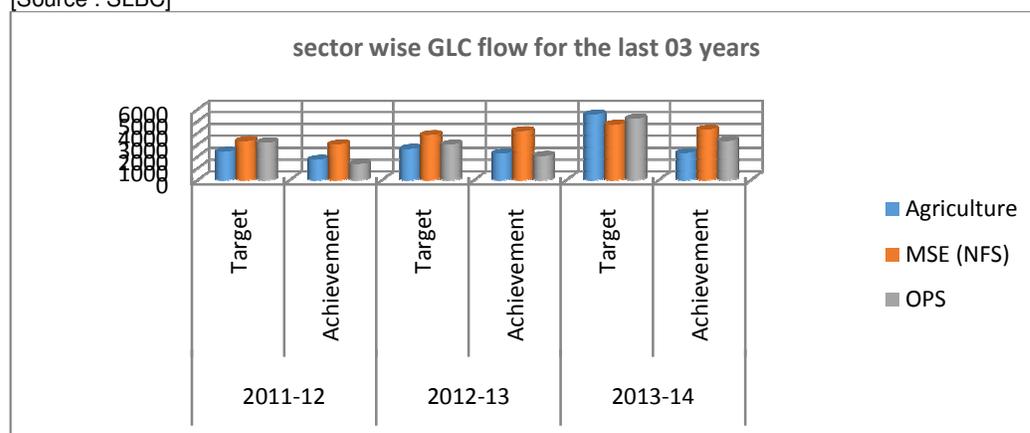
Thus, Banking Sector had **achieved** the minimum prescribed targets under **priority sector**, advances to **weaker sections** and advances to **women** whereas it **fell short** of the minimum levels in respect of advances to **agriculture**, share of **micro enterprises** in total MSE advances, **DRI** advances and advances to **minorities**. A jump of nearly 4% in the ratio of agriculture advances to total advances as on 31.3.2014 over the previous year was mainly on account of a spike of ₹ 3222.90 crore in the figure of outstanding agriculture advances over the previous year position which needs further analysis.

#### 4.5 Ground Level Credit (GLC) Flow under Priority Sectors

4.5.1 The GLC flow under broad sectors under the priority sector during last 3 years was as under :  
(Amt. in ₹ Crore)

Broad Sector	2011-12			2012-13			2013-14		
	Target	Ach.	% of Ach.	Target	Ach.	% of Ach.	Target	Ach.	% of Ach.
Agriculture	2403.00	1717.26	71.46	2636.61	2248.41	85.28	5566.75	2301.36	41.34
MSE (NFS)	3307.50	3018.47	91.26	3815.53	4159.54	109.02	4690.40	4285.62	91.36
OPS	3186.00	1364.60	42.83	3012.13	2041.17	67.77	5211.69	3318.04	63.66
<b>Total</b>	<b>8896.50</b>	<b>6100.33</b>	<b>68.57</b>	<b>9464.28</b>	<b>8449.13</b>	<b>89.27</b>	<b>15468.84</b>	<b>9905.02</b>	<b>64.03</b>

[Source : SLBC]



Thus, the credit flow to **priority sectors** in the State has witnessed a steady rise over a period between 2011-12 and 2013-14 registering an annual **growth of 31.18%**. Credit flow to **agriculture** sector had, however, registered a rather **muted** annual growth of **17%** during the same period. The credit targets under both priority and agriculture sectors were, however, could not be achieved during any of the years.

#### 4.5.2 Crop Loan (Kisan Credit Card Scheme)

Agency-wise details of KCCs issued / crop loan disbursed in the State during the last 03 years as also the cumulative position as on 31.3.2014 are given below :

Year	CBs		Of which, Pvt. Sector CBs		RRBs		Cooperative Banks		Total	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
2011-12	390924	1302.58	2279	26.70	112224	215.98	8245	9.39	511393	1527.95
2012-13	555568	1372.52	3637	45.64	122827	319.29	10310	33.10	688705	1724.91
2013-14	281567	695.67	3822	40.93	122453	321.31	7199	12.49	411219	1029.47
Cumulative No. of KCCs issued as on 31.3.2014	2184548		10017		948530		135281		3268359	
Of which, KCCs outstanding as on 31.3.2014	1034922	2940.00	4547	52.57	386719	632.29	13886	22.83	1435527	3595.13

[Source : SLBC]

A significant reduction in crop loan during the year 13-14 was mainly on account of a fall in both the no of KCC issued and the amount disbursed by the commercial banks as against their achievement in previous years. Lack of timely communication on continuance of crop insurance availability after July 2014 was also reported to have come in the way of sanction of KCCs during the said year. The involvement of Cooperative Banks under crop loan has also not been upto the desired extent owing to institutional weaknesses / issues

It is clear from the above that with participation of all categories of banks, a total of **KCCs** issued **cumulatively** in the State was **32.68** lakh of which **14.36** lakh number of KCCs were live, i.e, they were having outstanding amounts against them as against **total number of agriculture holdings** in the State at **27.09** lakh out of which small & marginal holdings are 22.77 lakh.

#### 4.5.3 Smart Kisan Credit Card / RuPay Kisan Credit Card

In terms of instructions of Gol, all KCCs were required to be upgraded by banks as Smart KCC. The position in the above respect has not been satisfactory as only 445890 Rupay Cards have been issued against 1487386 (position as on 31.12.2014) no. of operational KCC Accounts.

#### 4.5.4 Crop Insurance

National Agricultural Insurance Scheme is operative in the State for Rabi 2014-15 cropping season while the other cop insurance schemes, viz, MNAIS & WBCIS earlier in vogue have been discontinued. The notified crops under the said scheme are wheat, Rapeseed and mustard, gram, Lentil, pea and potato.

#### 4.5.5 Term Loan under Agriculture & Allied Activities

The position of overall term loans under agriculture & allied sectors as deduced by subtracting KCC finance from total agriculture credit for last 3 years has been presented in the table below :

Year	CBs	of which, Pvt. Sector CBs	RRBs	Coops	Total
2011-12	166.94	19.84	22.38	0.00	189.32
2012-13	589.11	93.84	49.24	0.00	638.35
2013-14	1163.96	73.20	102.35	5.59	1271.90

[Source : SLBC]

Thus, the share of **credit flow to agriculture term activities** (including indirect credit to agriculture) in total credit to agriculture sector has been at **11.02%, 28.39% and 55.27%** during the years 2011-12, 2012-13 and 2013-14 respectively. As sub-sector wise bifurcation of term loan under agriculture & allied activities is not available, a sudden spike in its share during 2013-14 needs further analysis. As lot of emphasis is being laid by Gol / NABARD on increasing the term finance under agriculture sector which would cause an increase in capital formation that would be vital to supporting agriculture productivity, the need of further boosting term finance under agriculture assumes a structurally different dimension needing attention of all concerned.

Certain constraints identified in financing of agricultural term projects such as delay in updation and computerization of land records, restrictive provisions of CNT and SPT Acts, little contribution of Private Sector Commercial Banks, etc. need to be adequately addressed in order to ensure that project financing under agriculture sector picks up to desired levels. Further, on account of lack of sourcing of agriculture sub-sector wise data by banks, a sub-sector wise analysis of credit flow to agriculture sector is not possible.

## **5. Micro Credit - SHG Bank Linkage Programme (SHG BLP), WSHG, NRLM & JLG**

### **5.1 SHG Bank Linkage Programme (SHG BLP)**

**SHG BLP** is being implemented in the state by NABARD through various NGOs, Banks and other stakeholders under which 86386 SHGs had been savings linked with banks upto 31.03.2014 of which only 6742 SHGs were credit linked by banks during 2013-14. NABARD has rolled out a drive for intensive capacity building of NGOs, Bankers and CRPs to enhance the quality of the SHGs being formed and bank linked. The state has a potential of around 2 lakh SHGs which has only been explored up to 40%. The average credit disbursed per SHG in the state is Rs. 51352/- only against the national average of Rs. 168757/- .

### **5.2 Women Self Help Groups (WSHGs)**

WSHG scheme is a scheme for promotion, nurturing and livelihood linkage of WSHGs in 150 Left Wing Extremism (LWE) affected districts in the country being implemented since 12-13. In the state, 18 districts have been identified as LWE-affected districts wherein one leading NGO per district has been designated as Anchor NGO. 20 such Anchor NGOs are being supported by 96 field level NGOs to saturate the hinterland of rural Jharkhand with Women SHGs as also ensure loan and insurance linkage and also repayment. Hand holding for a longer period to stabilize livelihood adoption by the SHGs is also visualised.

As on 31<sup>st</sup> December 2014, 34909 SHGs have been formed, of which 22275 have been savings linked with banks. However, of the above, only 4169 SHGs have been credit-linked with banks. Thus, the pace of providing credit linkage of WSHGs is very slow and as such, it's a matter of concern. NABARD is going to launch a pilot programme to digitize all the SHG accounts in Ramgarh of the State among 10 districts in the country. This will benefit the banks to take informed decision about the credit needs of SHGs and in turn help SHG access adequate and timely credit support from banks under SHG-BLP.

### **5.3 National Rural Livelihood Mission (NRLM)**

NRLM believes in harnessing the innate capabilities of the poor and complements them with capacities (information, knowledge, skills, tools, finance and collectivization) to participate in the growing economy of the country through self-managed Self Help Groups (SHGs) and federated institutions and support them for livelihoods collectives. In Jharkhand, NRLM is active in 29 blocks which are treated as intensive blocks where the scheme is being implemented through a Govt. owned society called JSLPS. Under NRLM, credit is made available to women SHGs by banks / financial institutions upto Rs. 3.00 lakh per SHG at an interest rate of 7% with provision for additional subvention of 3% on prompt repayment in category 1 i.e. IAP districts (17 in Jharkhand) .

### **5.4 Joint Liability Groups (JLGs)**

As an offshoot of the SHG programme, JLGs are formed to ensure availability of credit to farmers including land less/tenant/oral lesses farmers on owning joint liability for the loan, availed from bank. Banks have been given a target of credit linkage of 2000 JLGs during the

year 2014-15 against which only 350 JLGs have been credit linked as on 31 Jan 2015 and 640 JLGs since inception. The scheme is yet to come to the central focus of banks despite rounds of sensitization of bank officials, as a result of which a large number of farmers in the State are yet to be covered under the fold of institutional credit. The slow pace of financing JLGs is a matter of concern. Jharkhand has a potential of around 3 to 4 lakh JLGs.

## 6. NABARD's Perception on the Development of the State

### 6.1 Approach to Implementation of Important Missions of Gol for Agriculture Sector

With a view to ensuring food security and sustainable agriculture development, the Gol have launched six important missions which are as under :

- **National Mission on Sustainable Agriculture (NMSA)** : Aims at promoting sustainable agriculture through a series of adaptation measures like improved crop seed, livestock and fish culture; water use efficiency; livelihood diversification.
- **National Mission for Agri Extension & Technology (NMAE&T)** : Introduced with the objective of strengthening the extension machinery and utilizing it for synergizing the interventions under earlier schemes and mainly comprise of 4 sub missions relating agriculture extension and technology under components, viz, seed and planting materials, agricultural mechanisations, plant protection and plant quarantine.
- **National Mission on Food Security (NMFS)** : Aims at significantly increasing the production and productivity of food grains, viz, of paddy, pulses and millets.
- **National Mission on Protein Supplement (NMPS)** : Gol has planned to assist States to produce protein rich animal product, livelihood and nutritional security to small, marginal and landless farmers through dairy, fisheries, piggery, etc.
- **National Mission on Oilseeds & Oil palm**: For promoting production of oilseeds.
- **Mission for Integrated Development of Horticulture (MIDH)** : For promoting integrated development of horticulture sector.

Of the above, the missions of NMSA, MIDH, NMPS and NMFS are of special relevance for the State in view of existence of certain specific factors such as vast tracts of fallow / waste / cultivable land still to be brought under cultivation, significant soil deficiencies and existence of large area of degraded land, low crop productivity, suitability of climate for horticulture and floriculture crops, extensive availability of water bodies for fisheries, predominance of small / marginal farmers including tribal poor for taking up livestock activities, etc.

Thus, the **approach to implementation of these missions** need to be **worked on** to facilitate not just achievement of isolated targets but also to **alter the fundamental dimensions** of the rural economy by producing a “**Trigger Effect**” and “**Replications**” through appropriate collaborations with banks and community organisations like SHGs & JLGs.

### 6.2 Micro Economic & Infrastructure Planning

Last mile connectivity, i.e, connectivity at individual farmers level or village level, etc. in respect of various critical infrastructural facilities like irrigation channels, roads and bridges, marketing arrangements, etc. are of utmost importance in ensuring widespread transmission of heavy public expenditures by Govt. under various sectors. In the absence of last mile connectivity, the benefits of heavy public expenditure do not reach the people as intended. As such, mapping of gaps in such last mile connectivity need to be taken up in a planned manner and given due importance for providing them expeditiously in order to enable the people at large to derive optimum benefits from creation of major infrastructures. NABARD has made efforts to identify some of such gaps in consultation with the line departments concerned and the same has been presented as annexure to the SFP document which can be made use of by the State Govt.

### 6.3 Providing Sustainable Livelihood Opportunities to Tribal & Other Small / Marginal Farmholders through Effective NRM, Horticulture, Dairy and Livestock Management

Providing sustainable livelihood opportunities in drought prone, marginal and rain-fed areas and degraded land of the State through water and soil conservation measures, agriculture / horticulture and livestock management, afforestation, Pasture Development could be a viable solution. Certain projects implemented by NABARD under its schemes have brought

demonstrative successes in improvement in soil moisture, groundwater recharge, increase in vegetative cover, etc. and also facilitated efficiency in management of natural resources through community participation. Such projects need to be widely replicated by State agencies in collaboration with banks for more visible impacts. Recently a five years agreement signed between GoJ and NDBB for management of Jharkhand Dairy Project is expected to professionalize its management and provide an assured forward linkage for the milk producers which also need to be leveraged upon.

#### **6.4 Concentration Strategy for Promoting Economic activities at micro level – “Area Based Banking Plans”**

Considering large number of small and marginal farmers and people below the poverty line, a need was felt to promote single purpose small projects / schemes on a cluster basis which besides triggering economic development of people at large, would also facilitate planning and execution of infrastructure facility, viz, backward and forward linkages for full realisation of the benefits of the projects. In cases, some of such linkages and higher end facilities, viz, processing / value addition units, etc. could also be promoted with credit support so as to make the overall results self-sustaining by addressing the needs of inter-related activities in a focused manner.

Keeping the above objective in view and to facilitate convergence of multi-agency efforts for causing a visible economic impact in a few high potential geographical pockets, NABARD has conceptualized “**Area Based Banking Plans**” envisaging an integrated development of identified activities through focus on existing infrastructure, Govt. support available, status of ancillary activities, services to support the activities, credit support needed, etc, and its implementation would be a **coordinated effort of NABARD, Lead Bank, line departments, banks, Technical Institutions** and other stakeholders.

The activities identified are **Dairy Development, Pig rearing, Goat rearing, Floriculture, Lac processing, Poultry farming, Fisheries, Bee Keeping and Irrigation activities** with reference to specific areas and the “**Area Based Banking Plans**” thus prepared have been presented in PLPs of each of the districts while the key details together with the role / responsibilities of various stakeholders presented in **Annexure V** to the SFP document.

#### **6.5 Promoting Technology Adoption in Agriculture**

In order to facilitate effective adoption of suitable agro technologies so as to increase farm / horticulture productivity, NABARD has successfully launched at micro level certain pilots like propagation of Drip Irrigation System in Vegetable Cultivation, Scientific Lac cultivation, Augmenting Production of Lead Crops, SRI Method for cultivation of paddy, Seed Production Programme etc. in the State could be replicated to promote location specific and agro climatic sub-zone specific interventions.

#### **6.6 Enhancing Productivity : Increasing Seed Replacement rate (SRR)**

Given the capacity constraints in public sector, involvement of private sector needs to be encouraged in right earnest. In order to address this issue, NABARD launched “**Seed Production Programme**” during Kharif 2014 in all districts to enable farmers source good quality seeds at cheaper rates so as to decrease dependency on other States and increase productivity of paddy through community approach. The project has a **unique element of community replicating** the project in the project area through return of equal or double quantity of seed or its cash equivalent by the beneficiary farmers to the community for making it available to new farmers. Good response of farmers generated by this intervention gave a telling sense of the intensity of need of farmers for quality seed and shows the way that line department and banks can collaborate to promote such ventures in the State in large numbers with credit support.

#### **6.7 Supporting the Small / Marginal Producers’ Supply and Value Chain through Organising in the form of Farm Producers’ Organisations (FPOs)**

Agriculture of Jharkhand like most other backward States of India predominantly comprises of a large number of fragmented small holdings. The limited production quantities, lack of access to market, poorly developed supply chain and lack of hassle free access to credit results in high dependency of farmers on number of intermediaries. Lack of assured income and frequent crop

failures exposes the farm households to a vulnerable situation placing them at the mercy of intermediaries. Through producer collectives, small producers would provenly be able to improve their earnings by acquiring better bargaining power.

Thus, recognizing the need for promoting farmers' organizations, a "**Producers' Organisation Development and Upliftment Corpus (PRODUCE)** Fund has been set-up in NABARD in accordance with announcement in the union budget 2014-15 to be utilized for promotion and nurturing of 2000 Producers Organizations (POs) of farmers during the next two years in the country. The **active involvement** and **support of State Govt.** in implementation of the scheme would enable the small and marginal farmers engaged in agriculture, livestock, dairy, fisheries, etc. sectors effectively enhance their participation and move upwards in the value chain of such economic activities and be able to derive a more remunerative economic returns from such engagements.

### 6.8 Increasing Institutional Credit Flow to Landless and Tenant Cultivators - Promoting & Financing Joint Farming Groups (JFGs)

Provision of institutional finance to the cultivators not having land in their names has always remained a challenge. To address the issue, an announcement was made in the union budget 2014-15 to provide finance to five lakh Joint Farming Groups of "**Bhoomi Heen Kisans**" through NABARD. Accordingly, action plan for promoting and financing of 2000 Joint Farming Groups of land less labourers, oral lessee, tenant farmers etc. for Jharkhand through JLG mode has been made during 2014-15. The same needs to be upscaled and banking system need to reorient their policies and products for facilitating smooth credit flow to around 80000 to 1 lakh potential JFGs in the State.

### 6.9 Converting WSHGs into Micro Enterprises

Enabling WSHGs / poor members of WSHGs to take up income generating activities on a sustainable basis remains an unfinished task on the path of poverty alleviation. NABARD has been helping WSHG members acquire technical and entrepreneurial skills in income generating activities identified by themselves through its intervention named "Micro Entrepreneurial Development Programme (MEDP)" in clusters. Involvement of line departments and extension agencies of State Govt. would be necessary to see the intervention meeting its intended objectives effectively.

### 6.10 Promotion of Warehouse Receipt Financing, with robust Digital Warehouse Receipts

In order to provide farmers with buffer to effectively deal with liquidity constraints during period of time in immediate aftermath of harvest of crops so as to save them from being forced into selling their produce in a glut market, a robust framework of accreditation of warehouses and promoting finance against such warehouse receipts need to be promoted in all earnest. Where required, Warehousing Infrastructure Fund of NABARD could be utilized by Govt. / Govt. concerns for creating warehouses / storage infrastructure.

## 7. Credit Projections for 2015-16

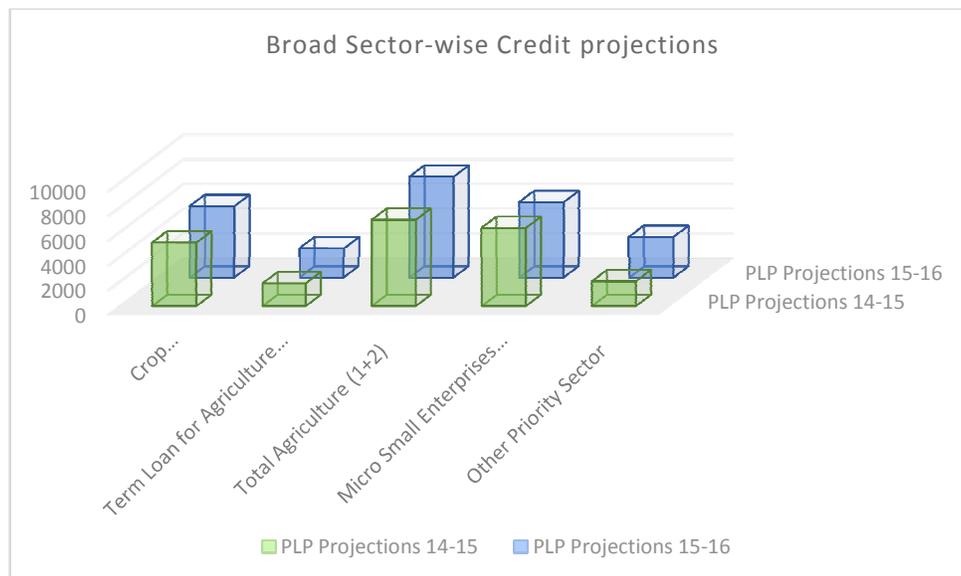
The credit projections for the State have been assessed by NABARD based on the potential available in each district for development of agri., allied and other rural sectors which could be exploited with institutional credit keeping in view various initiatives, programmes / policies of Gol, GoJ, NABARD and others, the broad sector-wise details of the same for 2015-16 are as under :

### BROAD SECTOR-WISE CREDIT PROJECTIONS 2015-16

(₹ Crore)

Sl. No.	Broad Sector	PLP Projections 2014-15	PLP Projections 2015-16	% growth over the last year projection
1	Crop Production, maintenance and marketing	5136.90	5782.26	12.56
2	Term Loan for Agriculture & Allied Activities	1837.82	2376.31	29.30
3	Total Agriculture (1+2)	6974.72	8158.57	16.97
4	Micro Small Enterprises (MSE) / Non Farm Sector (NFS) including Food and Agro Processing	6319.00	6109.72	-3.31
5	Other Priority Sector	1999.87	3296.75	64.85
	Total Priority Sector (3+4+5)	15293.59	17565.04	14.85

Detailed sector wise as well as sub-sector wise district-wise Credit Projections are given in the Annexure 1(B) of the SFP document.



## 8. Infrastructure

### 8.1 Critical Infrastructure Gaps

In Jharkhand, the major infrastructural gaps that hinder rural development include lack of assured irrigation, storage and marketing & cold storage facilities, inadequate roads and bridges, poor transport and communication, Health & Sanitation, etc.

- **Irrigation** : Jharkhand is predominantly a mono-cropped State due to lack of irrigation facilities for vast majority of farmland. The irrigated area at 3.98 lakh Ha. is just about 15% of net sown area against the all India level of nearly 46%. Since Jharkhand receives good seasonal rains, efforts are required for increasing area under irrigation by **developing reservoirs, building lift irrigation projects, in-situ water conservation/water harvesting structure with lifting devices, etc.**
- **Storage Godowns / Warehousing facilities** in the State is not adequate. As per data provided by FCI, Gol's High Level Committee (HLC) 2010 approved 4.75 lakh MT storage capacity for the State under PEG but till date the creation of infrastructure is negligible i.e. at 15,000 MT (under PEG) against a target of 65000 MT which was to be completed by March 2014.
- **Rural Connectivity (Roads)** : The present road density of roads (excluding NHs and Rural Roads) in the state is 86.26 kms per 1000 sq. km which is almost half the national figure of 182.4 kms, indicating a gap of 52.71% vis-à-vis national average.
- **Electricity Sector** : Only 40 percent of the households and 26.03 percent of the rural households of the State have access to electricity and the consumption per capita is 552 kwh compared with 879.22 kWh for India.
- **Health Sector** : Jharkhand is among high focus state due to significant gaps in the required number of primary health centres (i.e. 66% of the requirement). Further, there is huge rural-urban gap between the safe delivery (those in health facilities or home deliveries assisted by health providers) i.e. 39% for rural and 75% for urban areas which entails requirements for huge investments under the sector.
- **Drinking Water and Sanitation** : As per Gol sources, 97% of India's habitations have access to safe drinking water while it is 64% for Jharkhand. Further, only 45.15% of households in Jharkhand have toilets (IHHL) whereas the all India position is 75.32%. Thus, there is a significant gap in availability of such physical infrastructures.
- **Education** : Literacy level of the State is 66.41 % as against all India level of 74%. Further, the female literacy rate is only 55.42%. Other parameters related to education sector as discussed

in details in the relevant chapter of SFP, viz. Gross Enrollment Rate, dropout rate, etc indicate a generally relative inferior position which calls for greater emphasis on education infrastructure.

- In the present era of e-governance, rural IT infrastructure such as the Village Knowledge Centres are a vital requirement to facilitate speedy dissemination of information / knowledge and extend outreach of Govt.'s e-governance initiatives to the rural masses. Pragma Kendras set-up by Govt. require to be provided with modern facilities to be able to effectively deliver the intended services and become viable revenue model.

## **8.2 Infrastructure development through Public Private Partnerships (PPP)**

Taking due cognizance of the importance of PPP models for bridging the gap in infrastructure requirement in the State, the GoJ have planned for the development of various sectors under PPP during the Twelfth Plan period. Some of the major interventions being undertaken / planned by the State Government are as follows :

- **Agriculture** : GoJ has proposed to establish Krishi Clinics all over the State to provide expert advice and services to farmers. This scheme of GoJ may be dovetailed with Gol's AC&ABC scheme for establishment of such centres in large numbers with support of private investment / bank credit.
- **Dairy Development Sector** : GoJ has identified establishment of Dairy / Milk Processing Plants, Cattle Feed Plants, Accelerated Feed and Fodder Production Centres with application of intensive use of technology, agriculture sale centres to facilitate sale of agri-inputs, and Paravet Schools, etc. under PPP / joint venture mode.
- **Energy Sector** : construction of new grid sub-stations and associated transmission lines to meet the power demand of various areas under Jharkhand State on priority basis through PPP mode.
- **Industry Sector** : GoJ has planned to set up industrial park / estate and clusters including rural & village industrialization e.g. Sericulture, Khadi, Handicraft, Food Processing, Handlooms, Bamboo, Leather, Lac, etc. including establishment of textile parks at **Ranchi, Godda, Deoghar and Dumka**, taking up of Mega Growth Centres at Barhi, Hazaribagh for providing modern infrastructure facilities for rapid industrialization and setting-up Silk Parks at (Iraba) Ranchi & Saraikela to market the Tassar Silk internationally, under PPP mode in PPP-SPV or private mode.
- **Tourism sector** : GoJ have decided to operate its tourist complexes, way side amenities and tourist information centers in PPP mode.
- **Social Services Sector** : to expand the secondary education in all required areas, the policy of PPP models has been adopted by the Govt. Further, Urban Development Department is exploring possibility of creating infrastructure development projects and service delivery system related to Water Supply, Sewerage and Drainage, Urban Transport System, Solid Waste Management, Real Estate Development, Market Complex, Community Civic Amenities, Crematoria etc. in PPP mode.

## **9. Major constraints and suggested action points**

Realization of credit potentials also requires addressing of the constraints and implementation of various action points as indicated sector-wise in respective PLPs, by the concerned agencies, viz, State Govt., Banks and others. Some of the important constraints / action points as identified in PLPs have been furnished in Appendix.

## **10. Thrust Areas for 2015-16**

Sectors like Water Resources, Dairy, Farm Mechanization, Storage & other post harvest infrastructure, WSHGs / JLGs, Area Based Banking Plans, and promotion of POs constitute thrust area for development during 2015-16.

## Appendix

### Major constraints and suggested action points :

Sl. No.	Sector	Major Constraints	Suggested Action Points
1	Crop Production & Marketing	<ol style="list-style-type: none"> <li>1. Inadequate availability of quality seed.</li> <li>2. Inadequate access for landless / tenant farmers to institutional credit.</li> <li>3. Lack of adequate marketing arrangements.</li> <li>4. Inadequate warehousing and accreditation arrangements</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt. may establish (and also encourage private participation) more seed multiplication farms/seed villages/seed processing plants and seed testing labs.</li> <li>2. Govt. may support organizing of landless / tenant farmers into JLGs and banks to expeditiously finance such JLGs as a priority business area.</li> <li>3. Govt. may support setting up markets places around villages / clusters including completion of rural roads and bridges identified as last mile connectivity and presented as annexure to SFP document.</li> <li>4. Govt. may create more storage capacities and streamline accreditation processes for warehouses.</li> </ol>
2	Water Resources	<ol style="list-style-type: none"> <li>1. Lack of irrigation facilities</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt. may expedite completion of MI schemes of check dams, LI structures on small rivers and streams, etc and also focus on harnessing the available irrigation potential by creation of Water Harvesting Structures.</li> <li>2. Govt. may also promote solar operated pump-sets by creating awareness.</li> </ol>
3	Land Development	<ol style="list-style-type: none"> <li>1. Large chunk of waste and fallow lands.</li> <li>2. Lack of awareness about Land Development Measures – bunding, levelling, etc.</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt. may take measures for increasing awareness on land development activities.</li> <li>2. Govt. may involve banks for helping people to adopt suitable economic activities in areas reclaimed under Govt's waste and fallow land reclamation programmes.</li> <li>3. Govt. may arrange for exposure visits of farmers to developed Watershed areas to popularize various type of soil treatment / cropping practices.</li> <li>4. Banks may recognize the need for providing credit for land development activities as a viable commercial activity.</li> </ol>
4	Plantation & Horticulture including Sericulture	<ol style="list-style-type: none"> <li>1. Inadequate awareness / Extension services.</li> <li>2. Inadequacy of availability quality planting material.</li> <li>3. Issues in insurance coverage.</li> <li>4. Lack of adequate marketing arrangements.</li> <li>5. Lack of proper post harvest management</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt may organize onsite training / awareness activities for popularizing P &amp; H activities.</li> <li>2. Govt. may encourage setting up of nurseries through PPP mode / cooperatives / JLGs &amp; SHGs.</li> <li>3. Govt. to establish more Mandis and encourage setting-up of fruit &amp; vegetable processing units through private participation on a hub and spoke model.</li> <li>4. Govt. may promote solar based post-harvesting management processes like solar-driven dryer, etc.</li> <li>5. Banks may act in coordination with DAO / DHO, KVKs, ATMA, Farmers' Clubs, etc. to scout for bankable projects under P&amp;H.</li> <li>6. Govt. may take up for availability of insurance against Horticulture crops in the State.</li> </ol>

5	Animal Husbandry	<ol style="list-style-type: none"> <li>1. Inadequate veterinary health care and AI facilities</li> <li>2. Lack of adequate availability of quality dairy animals, DOCs for poultry and feed.</li> <li>3. Inadequate availability of Green Fodder</li> <li>4. Inadequate marketing arrangements for milk.</li> <li>5. Inadequate breeding facilities for Dairy, goatry, pig-gery, etc. for supply of Improved variety.</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt. may complete renovation of existing and construction of new veterinary hospitals with adequate AI facilities.</li> <li>2. Govt may operationalize the existing cattle breeding farms to meet the State's requirements.</li> <li>3. Govt. may launch massive awareness programme for promoting Backyard poultry among tribal and other small / marginal farmer families.</li> <li>4. Govt. may promote cultivation of Green Fodder.</li> <li>5. Govt may add the new and operationalize the existing defunct milk routes.</li> <li>6. Govt. may sponsor and provide necessary support to Animal Husbandry graduates in setting-up of Agri-clinics Centres with Bank credit.</li> <li>7. Govt. may promote establishment of Cattle Feed and Feed supplement Plant in the State.</li> <li>8. Govt may set-up / promote more number of Poultry Hatcheries in the State.</li> </ol>
6	Fisheries	<ol style="list-style-type: none"> <li>1. Inadequate supply of Fish Seeds, Fingerlings.</li> <li>2. Inadequate marketing arrangements.</li> <li>3. Inadequacy of extension arrangements through FFDA's.</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt. may set-up / encourage fish Hatcheries for ensuring adequate availability of fish seedlings.</li> <li>2. Govt. may make planned efforts for convergence of MNREGA activities for improving the productivity of fish ponds.</li> <li>3. Govt may provide support for marketing of fish including setting up of marketing outlets.</li> <li>4. Fisheries department to conduct workshops to sensitise bankers and farmers on various departmental schemes and potentials for taking up fisheries activities with credit support.</li> <li>5. Govt may promote fish rearing through cage culture in a big way in the reservoirs.</li> <li>6. Banks may scout for proposals to finance for cold chain (refrigerated vans) in coordination with FFDA's.</li> </ol>
7	Storage & Market Yards	<ol style="list-style-type: none"> <li>1. Inadequate storage capacity for agricultural produce.</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt. may establish Market Yards/ Godowns, Apna Mandi, rural haats and other marketing infrastructural facilities.</li> <li>2. Govt. may make efforts for reviving cooperative marketing societies.</li> </ol>
8	Micro Small Enterprises including Food and Agro- Processing	<ol style="list-style-type: none"> <li>1. Inadequate marketing arrangements.</li> <li>2. Inadequate Power Supply</li> <li>3. Inadequate storage and processing infrastructure</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt. may setting up Rural Haats in for enhancing marketing facilities.</li> <li>2. Govt may set-up KVIC industrial estates/ centers for promoting village industries.</li> <li>3. Govt may expedite completion of projects concerning expansion of power generation capacities, reduction of transmission losses, etc.</li> <li>4. Govt. may establish more number of food parks.</li> <li>5. Govt. may ensure provision of cold chain</li> </ol>
10	Renewable Energy	<ol style="list-style-type: none"> <li>1. Inadequate promotion of Govt. Schemes</li> </ol>	<ol style="list-style-type: none"> <li>1. Govt may influence the CSR initiatives of a few public &amp; private corporates to create model villages for creating awareness on renewable energy concepts.</li> </ol>